

MEMORANDUM

To: Vermont House Committee on Commerce and Economic Development
From: Commissioner Michael Harrington, Vermont Department of Labor
Date: April 3, 2025
Subject: Impacts of S.125, *An act relating to workers' compensation and collective bargaining rights*

Thank you for the opportunity to comment on S.125, *an act relating to workers' compensation and collective bargaining rights*. The Department of Labor ("Department") is supportive of sections 1, 2, 3, and 4 but has significant concerns with section 5b, which relates to the prevailing wage on state contracts and certified payroll. Overall, the Department believes that there are more pressing issues that should be prioritized over the provisions in these bills, such as housing and education reform and the intersection between education policy and workforce development.

Section 1: Workers' Compensation

The Department supports the addition of the definition of medical case management services and its use in the following sections. Medical case management services are already widely used by insurance carriers in certain circumstances.

Section 2: Workers' Compensation and Translation Services

This section would require that translation services be provided for an injured employee who is not fluent in English. To clarify whether this cost would fall on employers or insurance carriers, under 21 V. S. A. § 603, the term employer refers to both the employer and the employer's insurance carrier, if insured. "Employer" and "insurer" are used interchangeably in the Workers' Compensation Act. As a practical matter, the cost of translation services would be borne by the insurance carriers and be built into their pricing structure. The Department does not have a cost impact analysis, although it expects it would be de minimis. The Department supports efforts that will increase access to services and benefits for injured workers with limited English proficiency.

Section 3: Workers' Compensation and Medical Case Management

The Department supports the addition of medical case management services to those "benefits" currently covered under the preauthorization statute (21 V.S.A. § 640b). Medical case management services are already widely used by insurance carriers in certain circumstances. This amendment would merely apply to the preexisting preauthorization process for such services. Insurance carriers could still deny the services if they are not reasonably supported.



Section 4: Workers' Compensation and Timely Payments

In the Department's experience, carriers do miss payment dates; however, the Department does not have any aggregated number that would indicate how frequently this occurs. While such missed or late payments may be inadvertent and due to software issues or internal miscommunication, the negative effect on injured workers reliant on timely weekly payments is real.

Section 5b: State Construction Projects

The Department is not supportive of the provisions of this section. This change would place a significant administrative burden on contractors and state government to accomplish the prescribed record keeping and frequent reporting. It is also important to note that this bill would require employers and state agencies to compile, transmit, review, and store protected private wage information. In many cases, these contractors and state agencies may not have the systems to transmit and store this information in a secure way, which would add to the cost for employers and the State when implementing this bill. This additional burden could result in elevated construction costs or limiting the pool of contractors that may apply to a project if they lack the administrative capacity to fulfill this requirement.

The Department appreciates the opportunity to provide testimony on S.125. The Department understands that the Committee intends to move sections 1-4 to S.117, the Department's technical corrections bill.

